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JCH

MAR 10 1958

MEMORANDUM FOR THE RECORD:

SUBJECT: Resume of Macy Trip to Far East

25X1A9a 1. On Friday afternoon (7 March 1958) Messrs. [REDACTED] gave Colonel [REDACTED] White a general resume of their recent trip to the Far Eastern Stations with Mr. Robert Macy, Bureau of the Budget. Present at the meeting also were General [REDACTED] and Messrs. [REDACTED] Saunders, [REDACTED] 25X1A9a  
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GENERAL

25X1A9a Mr. [REDACTED] indicated that in his and Mr. [REDACTED] opinion the trip generally was successful and, that while Mr. Macy found certain things that he was not in agreement with, they felt some of his preconceived notions concerning our activities had been changed -- in our favor. Mr. Macy did not confine his inspection and review to CIA but also looked at other Government activities. This, according to Mr. [REDACTED] was to our advantage in that as it turned out we were pretty much in line with other Agencies insofar as plush living conditions, number of automobiles, and allowances, etc. were concerned. Mr. [REDACTED] said that he was quite sure that Mr. Macy would prepare his report before coming over to discuss his trip with the Director. Mr. [REDACTED] also indicated that Mr. Macy's report would be in two parts; namely, administration and operations. He further indicated that the administrative part of the report was to be sent to all Agencies and that the draft of this report would be cleared first with CIA for security considerations only. The operational report would be submitted in draft for factual review and security implications. Apparently, neither of the drafts will be submitted for general comments or concurrence. 25X1A9a  
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ADMINISTRATION

25X1A9a In general Messrs. [REDACTED] felt that we were in good shape and made a fairly good impression on Mr. Macy. As previously mentioned, this gave us an opportunity to see ourselves compared with other Agencies, and the results seem to indicate that we are not out of line. Listed below are several items covered specifically by Messrs. [REDACTED] 25X1A9a

a. Housing. Mr. Macy did not appear critical of Station Chiefs' houses and voiced no objection to the method in which we obtained houses for our

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people. He indicated that perhaps our procedure has not been administered too wisely insofar as some of our medium and lower grade personnel are concerned. Mr. Macy, however, concedes that the allowance structure is not good and that something should be done Government-wide to solve the housing problem. He thought perhaps Public Law 480 (foreign currency accumulations) might be used as a partial solution. Mr. Macy felt that our housing on [redacted] was plush -- not only our housing -- but all of

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b. Representation Allowances. Mr. Macy indicated he had not studied this problem sufficiently to come to any firm conclusion. He feels some officials do not have enough representation allowance while perhaps others are a little on the high side. He was somewhat critical of the "residence allotment" provision in ours. Other Agencies (except ICA) do not have this provision.

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d. [redacted] Hardship Allowance. Mr. Macy does not feel the hardship allowance is justified on [redacted] and may well recommend that it be eliminated. This, of course, is not aimed at us but applies to the Government generally.

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e. Average Salaries and Average Ages. We compared favorably with other Agencies insofar as average salary and average age was concerned.

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f. Schools. This is a rather broad problem and probably will not be covered in any great detail in his report. One minor point is that in [REDACTED] we pay in [REDACTED] Mr. Macy feels that the system should be uniform.

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## OPERATIONS

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Mr. [REDACTED] explained Mr. Macy's reasoning behind his desire to review operations which, simply stated, is that he wanted to be able to assure Congress that some external evaluation of operations was made. At each Station Mr. Macy told the Station Chief that he was interested in seeing that Congress did not get involved in the substance of our work and felt that the best way to avoid this was for the Bureau of the Budget to get involved in it. Mr. Macy referred to the Atomic Energy Commission and Congressional controls over it.

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At all Stations Mr. Macy was given thorough briefings on operations and in [REDACTED] was taken step by step through a successful project which was in operation and an unsuccessful project which had been terminated. Mr. Macy evidently felt that it took too much time to determine whether or not a project was or was not successful and indicated quite a lot of interest in working out some system of pre-evaluation of projects. Messrs. [REDACTED] both indicated that as the trip progressed and Mr. Macy saw more and more of operations, his attitude on evaluation changed considerably and that some of his preconceived concepts did not hold up. He still feels however, that the operators are doing their own evaluation and that some form of independent evaluation is needed.

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Some specific items covered are listed below:

a. Communications. At the beginning of the trip Mr. Macy was pretty firm in his belief that we should have one communications system for all overseas Agencies. As he went along and was briefed on some of our clandestine operations it appeared that he recognized the need for CIA to have its own communications system. He evidenced some concern over the amount of equipment we kept on hand for agent-type operations when at the

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2. At the conclusion of the meeting, Mr. [REDACTED] raised the question with Colonel White on the advisability of he and Mr. [REDACTED] submitting a report prior to the receipt of Mr. Macy's report. Mr. [REDACTED] felt that Mr. Macy might query him as to whether he had prepared a report and would perhaps ask to see a copy of it. Colonel White said he thought they should go ahead and prepare a report since it would be helpful to the Director in preparing him for his meeting with Mr. Macy.

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Executive Assistant to the  
Deputy Director (Support)

EA-DD/S:CEB: ecb (10 March 58)

Distribution:

Orig - Colonel White (and others)

1- Mr. [REDACTED]

1- Mr. [REDACTED]

1 - Mr. [REDACTED]

3-DDS Files.

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